

MEMORANDUM

DEPARTMENT OF TRANSPORTATION

Office of Finance Management and Budget
4201 East Arkansas Avenue
Denver, Colorado 80222
(303) 757-9262
FAX (303) 757-9656



DATE: September 20, 2012

TO: Transportation Commission

FROM: Laurie Freedle, Budget Director

SUBJECT: SAFETEA-LU vs MAP-21 and the FY13 Budget

This agenda item illustrates the financial impacts of MAP-21 when compared with SAFETEA-LU. In addition, staff presents the extent to which CDOT can mitigate impacts to programs for the FY13 budget.

SAFETEA-LU vs MAP-21

FY13 Budget Implementation of MAP-21

Using the FY13 budget as a baseline and comparing the funding priorities associated with MAP-21, most programs are held harmless. A few, however, receive a lower level of funding in MAP-21 than they did in SAFETEA-LU. These programs are shown in the attached chart.

HSIP has more funding than previously anticipated and there is the ability to transfer funds from this program to other programs, TC can choose to mitigate most of the impact to other programs. Unfortunately, there is \$2,948,292 that cannot be absorbed, based on current predictions of final federal obligation limitation numbers.

Until we receive final obligation limitation information, there is no certainty on how the numbers will resolve. If limitation is higher than anticipated, there could be no need to transfer funding. Therefore, staff suggests that the budget be left as passed until this information is received.

However, it is useful to both staff and the impacted programs to understand how the TC would wish to proceed if obligation limitation is received as predicted or in some amount where these programs would be reduced. Some options include:

Allow programs to be funded as indicated in MAP-21—this option would be harmful to the programs that are already programmed to the FY13 anticipated level, and could result in the HSIP program struggling to allocate unanticipated funding in a timely manner.

Transfer the “additional” HSIP funds to other programs and reduce or eliminate deficits in other programs—this is a more advantageous use of the funding for all involved. If this course is chosen, then the TC would need to direct how to allocate the transferred HSIP funds.

Alternatives include funding some programs entirely and leaving others with a portion of their deficit, or spreading the transferred funds across the programs by percentage of deficit. There are, of course, numerous other alternatives that could be proposed and discussed.

Staff recommendation is to make SPR whole, as this is funding that is dedicated to funding DTD projects that are ongoing and SPR has to now fund a national research program (SHRP2) with 4% of its budget. For the remainder of the deficit, it is recommended that TC consider the recommendation of STAC since the other affected programs are presently allocated to MPOs and TPRs for their competitive project selection processes. STAC has been requested to make a recommendation at the September TC meeting.

If you have any questions regarding the information provided prior to the meeting next week, please feel free to call me at (303) 757-9171 or email at laurie.freedle@dot.state.co.us, or to contact Ben Stein at (303)757-9168 or ben.stein@dot.state.co.us.